

## Message Text

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53

ACTION NEA-10

INFO OCT-01 ISO-00 AGRE-00 PA-02 PRS-01 FEA-01 ERDA-07

AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00 EB-07

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-04 USIA-15 SAM-01 OES-06 SP-02 SS-15 STR-04

TRSE-00 ACDA-10 /118 W

----- 012336

R 081145Z MMV 76

FM AMCONSUL DHARAHAN

TO SECSTATE WASHDC 5079

INFO AMEMBASSY JIDDA

UNCLAS DHARAHAN 1405

E.O. 11652: N/A

TAGS: EGEN, ENRG, PFOR, BGEN, SA

SUBJECT: MINISTER OF PLANNING EXPRESSES VIEWS ON US ANTI-BOYCOTT  
LEGISLATION AND SAG DEVELOPMENT PROGRAM

1. PREVIOUS WEEK, DURING VISIT TO INSPECT JUABIL PROJECT,  
MINISTER OF PLANNING HISHAM HAZIR HAD EARLY-EVENING MEETING  
WITH ARAMCO DEPARTMENT HEADS AND ABOVE. MAJORITY OF AUDIENCE  
WAS AMERICAN, BUT GOOD NUMBER OF SAUDIS WERE PRESENT.

2. NAZIR OPENED MEETING WITH SHORT SITREP ON SECOND FIVE-  
YEAR DEVELOPMENT PLAN. HE TOLD HIS AUDIENCE "PLAN IS NOT A  
BOX" BUT A LIVING, CHANGING INSTRUMENT WHICH SERVES AS GUIDE  
AS COUNTRY DEVELOPS ITS ECONOMY. AFTER CLAIMING HE WAS NOT  
TOO CONCERNED WITH MEETING TARGETS OF PLAN, HE COMMENTED THAT  
THEY ARE REVISED CONSTANTLY AND PLAN SERVES PURPOSE  
OF ONLY STATING GENERAL OBJECTIVES.

3. DURING QUESTION PERIOD AFTER HIS SHORT PRESENTATION,  
MINISTER PROVIDED HIS VIEWS ON FOLLOWING SUBJECTS:

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(A) AGRICULTURE -- NAZIR DOWNGRADED AGRICULTURE'S ROLE IN ECONOMY. HE INDICATED THAT THERE IS LITTLE LIKELIHOOD OF IMPROVED PRODUCTIVITY IN COUNTRY'S AGRICULTURAL SECTOR AND STATED SAUDI ARABIA MUST RECOGNIZE THAT SAUDI ARABIA WILL NEVER ATTAIN SELF-SUFFICIENCY IN AGRICULTURE. IT FOLLOWED, HE OPINED, THAT SAUDI ARABIA MUST PLACE ITS BETS ON INDUSTRIAL SECTOR TO PROVIDE FOR ITS FUTURE.

(B) INFLATION -- MINISTER DISMISSED MATTER AS BEING UNIMPORTANT AND STATED THAT GOVERNMENT MEASURES ALREADY BROUGHT TO BEAR ON PROBLEM WILL ADEQUATELY CONTROL SITUATION.

(C) US ANTI-BOYCOTT LEGISLATION -- SUMMARIZING CONVERSATION HE HAD ON HIS MOST RECENT TRIP TO US, NAZIR NOTED THAT NEARLY ALL USG OFFICIALS, CONGRESSMEN, AND BUSINESS LEADERS TOLD HIM PRIVATELY THAT THEY ABHORED ANTI-BOYCOTT LEGISLATION AND RECOGNIZED ITS POSSIBLE IMPACT ON US EXPORT PROGRAM. NEVERTHELESS, AS NAZIR EXPLAINED, NONE WOULD STATE HIS VIEWS IN PUBLIC ON ISSUE -- A SITUATION WHICH HE IMPLIED WAS COWARDLY. MINISTER ALSO MET WITH AIDES OF SENATOR RIBICOFF AND THEY CLEARLY STATED THAT ONE OF THE OBJECTIVES OF THE RIBICOFF AMENDMENT IS TO CURTAIL US EXPORTS TO SAUDI ARABIA. NAZIR'S CONCLUDING POINT ON THIS TOPIC WAS THAT SAG WISHES TO BUY FROM THE US BUT IT HAS AMPLE ALTERNATIVES IN FORM OF EUROPEAN SUPPLIERS QUITE WILLING TO DISPLACE US IN SAUDI ARABIAN MARKET.

(D) PETROLEUM PRICES -- WHEN ASKED IF SAG FAVORS INCREASE IN PETROLEUM PRICES, NAZIR JOKED AWAY QUESTION BY EXPLAINING THAT EACH TIME THERE HAS BEEN A PRICE INCREASE, RIYADH IS DELUGED WITH DELEGATIONS FROM MOSLEM NATIONS AND OTHER LDC'S ASKING FOR HANDOUTS. CONSEQUENTLY, IT IS IN INTEREST OF SAG TO MAINTAIN CURRENT PRICES SO THAT IT CAN DO ITS WORK AND NOT BE INTERRUPTED BY LDC SUPPLICANTS.

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

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